

## Message Text

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43

ACTION ARA-20

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03

NSAE-00 NSC-07 PA-04 RSC-01 PRS-01 SP-03 SS-20

USIA-15 AID-20 DRC-01 ( ISO ) W

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R 261252Z APR 74

FM AMEMBASSY LA PAZ

TO SECSTATE WASHDC 2940

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E.O. 11652: N/A

TAGS: BIZCQB, BL

SUBJECT: APPLGATE-YOUNGQUIST CASE

1. ARA/BC OFFICE DIRECTOR KARKASHIAN, ACCOMPANIED BY DCM AND EMBOFF, CALLED ON MIN IND/COM APRIL 23. CONVERSATION QUICKLY SETTLED ON APPLGATE-YOUNGQUIST LAND EXPROPRIATION DISPUTE. MINISTER CALLED IN SEVEN HIGH-LEVEL MINISTRY OFFICIALS WHO ARE DEALING WITH CASE, AND HOUR-LONG WIDE-RANGING CONVERSATION FOLLOWED.

2. ANTONIO TAPIA OF SUGAR INSTITUTE WAS PRINCIPAL SPOKESMAN AND ARGUED THAT LEGAL CONTROVERSY INVOLVING BOLIVIAN LAW COULD NOT BE SETTLE OUTSIDE BOLIVIA. THIS NORMAL PRACTICE AND IN PAST INVESTMENT DISPUTES U.S. FIRMS OR THEIR REPRESENTATIVES HAD COME TO BOLIVIA FOR NEGOTIATIONS. HE CONCLUDED THAT APPLGATE, YOUNGQUIST OR THEIR REPRESENTATIVE MUST COME TO BOLIVIA TO NEGOTIATE MATTER. TAPIA NOTED THAT BOLIVIAN LAW PROVIDES THAT LAND EXPROPRIATIONS COMPENSATED BY 25 YEAR 2 PERCENT BONDS BUT THAT "HIGHEST LEVELS" OF GOB IN RECENT PAST HAD ORDERED THAT CASE BE SETTLE BY EX-CEPTIONAL MEASURE OF OFFERING COMPENSATION IN LAND.

3. KARKASHIAN STATED THAT HE UNDERSTOOD TAPIA'S LEGAL POSITION BUT THERE HAVE BEEN CONTRADICTORY STATEMENTS BY PARTIES THAT LEFT GOB POSITION UNCLEAR AND CONFUSED RESOLUTION OF ISSUE. HE URGED GOB TO SET DOWN DETAILS OF ITS CASE AND AS PRACTICAL AID  
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TO RESOLUTION OF ISSUES BE MORE SPECIFIC. FOR EXAMPLE, HE

SUGGESTED THAT GOB MAKE REQUESTS FOR SPECIFIED DOCUMENTS THAT IT LACKS RATHER THAN DEMANDING APPELATE-YOUNGQUIST SUBMIT "ALL DOCUMENTS." THE BOLIVIAN OFFICIALS VOICED GENERAL AGREEMENT WITH SUCH AN APPROACH.

4. MINISTER NOTED THAT IMPORTANT FACTS IN CASE REMAIN TO BE DETERMINED BUT THIS CAN MOST APPROPRIATELY AND MOST EASILY BE DONE IN BOLIVIA WHERE DOCUMENTARY EVIDENCE AVAILABLE. HE SAID THAT GOB FLEXIBLE AND READY TO NEGOTIATE SIZE AND LOCATION OF LAND FOR COMPENSATION. HE REPEATED EARLIER STATEMENT THAT ONCE CASE SETTLED, APPELATE AND YOUNGQUIST COULD SELL LAND FOR CASH. HE CONCLUDED BY STATING THAT HE WAS CONFIDENT THAT WITH GOOD WILL ON BOTH SIDES, CASE COULD BE CONCLUDED IN MONTH AND ONE HALF.

5. COMMENT: MEETING WAS CLEAR INDICATION THAT GOB READY TO NEGOTIATE SETTLEMENT OF CASE IN GOOD FAITH, ALTHOUGH IT WILL INSIST THAT NEGOTIATION TAKE PLACE IN BOLIVIA. ARGUMENT THAT THIS PRESENTS HARDSHIP TO U.S. CLAIMANTS LESS PERSUASIVE SINCE APPELATE HAS RETURNED TO BOLIVIA AND IS FARMING IN SANTA CRUZ AREA.

STEDMAN

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** DISPUTE SETTLEMENT, LAND NATIONALIZATION, NEGOTIATIONS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 26 APR 1974  
**Decaption Date:** 01 JAN 1960  
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**Disposition Approved on Date:**  
**Disposition Authority:** GolinoFR  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
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**Disposition Reason:**  
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**Subject:** APPLGATE-YOUNGQUIST CASE  
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